

**Minutes  
State Board of Education  
Monday, August 30, 2004**

The Arizona State Board of Education held its monthly meeting at the Arizona Department of Education, 1535 West Jefferson, Phoenix, AZ 85007. The meeting was called to order at 9:10AM.

**Members Present**

Ms. Nadine Mathis-Basha, President  
Dr. Matthew Diethelm, Vice President  
Ms. Armida Bittner  
Dr. Michael Crow  
Ms. JoAnne Hilde  
Superintendent Tom Horne  
Ms. Joanne Kramer  
Dr. John Pedicone

**Members Absent**

Ms. Evangelina "Conkie" Hoover

***Board Business***

Pledge of Allegiance, moment of silence and roll call.

***Minutes for State Board of Education***

Motion by Dr. Pedicone to approve minutes as submitted for the June 28, 2004 State Board of Education meeting. Seconded by Dr. Diethelm. *Motion passes.*

***President's Report***

Ms. Basha noted that she is stunned by the AIMS test results. She noted that she believes the field is working very hard, however forensic analysis is needed in order to figure out what is happening in the field. Ms. Basha emphasized that answers are needed before action can be taken and to that end a special Study Session of the Board will be held on September 20, 2004 to discuss this issue as well as other issues that may need to be considered.

***Superintendent's Report***

Superintendent Horne stated that he hopes the Governor and Board can work together regarding AIMS intervention and that a request for additional monies to be allotted toward this effort has been sent. He added that application at the federal level to combine Titles I-V with intervention efforts proven in Massachusetts and Florida to achieve a pass rate of over 90%. Mr. Horne added that bad attendance affects low scores and it should be emphasized to parents that proficiency in reading, writing and math are necessary to prepare for college or the job market. Mr. Horne cited a program, LEXILE, which measures proficiency levels noting that the Department of Labor has 15 clusters of jobs, which require the need to read above the level of works such as "War and Peace". Mr. Horne stressed the importance of acquiring skills and knowledge to be better prepared for life.

Superintendent Horne introduced new Deputy Associate Superintendents and read a brief biography of each person. (Please see materials in packet):

- Dr. Robert Franciosi, Education Program Administrator, Director of Accountability Systems and Reporting, Research and Evaluation Section;
- Ms. Tommie Miel, Education Program Administrator, State Intervention Section;
- Dr. Ann Hart, Deputy Associate Superintendent, Discipline, Health and Nutrition Services;
- Ms. Mary Szafranski, Deputy Associate Superintendent, Food and Nutrition; and
- Ms. Roberta Alley, Acting Director for Testing.

Superintendent Horne added that the Arizona Department of Education has a magnificent staff, which has been acknowledged in feedback from schools as to their appreciation for the experience of highly qualified educators in the department.

### ***Member Reports***

Ms. Kramer stated that she and Dr. Pedicone attended the NASBE new board member institute in Alexandria, Virginia, where they learned about various reports that are available, individuals who are a resource for assistance, what is expected of state board members, how the different departments operate, the characteristics of a good state board, how to focus on the big picture, and how relationships between the Department of Education, Governor and the Legislature are formed. Sessions were provided on:

- No Child Left Behind;
- What to do when you're on the six o'clock news: building public trust;
- Sequence of policy development;
- Federal updates; and
- Mock State Board meetings.

Ms. Kramer stated that her mentor was invaluable in this process as well as the new members from the 22 states represented at this conference.

Ms. Hilde expressed the need to find out what is happening in the schools now in regard to AIMS testing, beyond the statistical analysis, to better understand what is happening in K-12 around this issue. Ms. Hilde met recently with some high school vice principals where they asked for assurance that the State Board of Education would continue to stay the course. The vice principals expressed that very few students will not graduate for having failed the AIMS but they are concerned that the process will discourage students and they will drop out of the system prior to graduation. Ms. Hilde cautioned members to look at those students and what is being done to help them and to see if they are being identified quickly enough to keep them in the system. Ms. Hilde concurred that a special session is needed around this issue.

Dr. Diethelm noted that he has continued to participate in the research study with NASBE on "Closing the Achievement Gap" dealing with how to bring students who may be socially or economically disadvantaged up to being able to succeed at the same standards and expectations that have been set for everybody. Dr. Diethelm stated that the final draft of this report will be presented at the national NASBE conference on October 22-23, 2004, and will include a matrix, which is based on:

- research and experiences in places that have been successful,
- questions at the state and local board levels,
- questions at the administrative school leadership level, and
- questions at the instructional level.

Dr. Diethelm volunteered to send excerpts from this report to members as the State Board continues to also study this issue.

Dr. Pedicone stated his support for encouraging the field to use data to drive decision-making and that the same applies to the Department in that data must be used to determine whether or not we are on track. Decisions cannot be made from the heart or a sense of what is believed to have happened, but rather by looking at all aspects including the assessment process. Dr. Pedicone stated that AIMS is a twelfth grade test, administered at the tenth-grade level, and data is needed to insure we are on the right track.

In addition, Dr. Pedicone stated that the NASBE conference was great and that they learned a lot about how state boards operate and about their perspectives. Dr. Pedicone has also attended other meetings on behalf of the State Board:

- Solutions Team summary and update in Tucson where he saw an overwhelming positive attitude from principals, teachers and others;
- AZ Leads, which is an important endeavor, with opportunities provided by the Wallace Grant, to address the crisis in leadership;
- Intervention Team development where he could see there is a clear concern about how schools are

going to be treated when state takeover takes place. Dr. Pedicone added that the work done to date has been well done.

Ms. Bittner stated that she appreciates the fact that there will be a Study Session around this important issue and would like members to key in on various factors that make the total of the decision.

Ms. Bittner also noted the excitement from teachers, administrators and consultants on the Solutions Teams after having visited their assigned schools.

Ms. Bittner commented on a school retreat she recently attended where the discussion was about what can be done to work together to better deliver services. Ms. Bittner stated that a good plan was developed with all participants dedicated within the constraints of limited resources.

Superintendent Horne stated that this was Ms. Dena Epstein's last day as she is leaving to spend time with her children. Mr. Horne commended Ms. Epstein on her assistance to the Department and welcomed Ms. Nancy Oyen, Assistant Attorney General, who will be taking Ms. Epstein's place.

Ms. Basha added that on behalf of the entire State Board, they wish Ms. Epstein well and that she has served the Board well.

### ***Director's Report***

#### **1. Parent Survey**

Ms. Christy Farley, Executive Director, presented the final report on the Parent Survey as required by statute. (Please see complete survey in materials packet). Ms. Farley highlighted the following areas:

- Parent satisfaction in schools where the oldest child attends demonstrated by rating the school with an A+ or an A increased from 40% in 2002 to 41.6% in 2003 and increased to 49.7% this year;
- This year the Board partnered with schools to make this survey available
  - Survey put online and advertised through schools as well as distributed paper copies through schools
  - Parent response more than doubled
- Questions to see what issues parents are aware of:
  - No Child Left Behind (64%)
  - AYP (about half of parents surveyed)
  - AZ LEARNS Accountability System (37%)

Ms. Farley added that an attempt is being made to see if a combined survey with ASU could be possible in the future. Ms. Farley will meet with Dr. David Garcia and others to work on this initiative.

#### **2. Flores Consent Decree**

Ms. Farley updated members regarding the Flores Consent Decree. Mr. Hogan renewed his Motion for Contempt against the State Board related to the Structured English Immersion Endorsement and a copy was provided for members. On August 11, 2004, the State Board's legal counsel responded and a copy of this response was also provided for members. Ms. Farley noted that the response highlights the process the Board went through in getting comments and recommendations and states that the rule represents an appropriate exercise of the Board's discretion, based on sound policy. Further, the response highlighted that the Board has given the directive to continue to examine the programs and requirements associated with advancing SEI and ELL strategies and to look for best practices with an eye toward re-addressing issues as appropriate.

#### **3. English Language Learner Legislative Cost Study**

Ms. Farley noted that she had hoped to have more information to present this month, but the cost study due to be completed by the National Conference of State Legislatures in August, is at least a month behind and at this time we do not know when the study will be complete. The Executive Summary was released and a copy of this summary was provided for members. This summary is probably premature since the report is not complete and ready for public viewing. Ms. Farley noted that one area to be addressed by the cost study was best practices and because the Executive Summary does not address this issue, Ms. Farley only added that the Legislative Committees will be reviewing this. The Legislative committee is charged

with making recommendations to this Board of qualification requirements for the Structured English Immersion Endorsement. This committee has met only once since it was charged with this responsibility in December 2001 and therefore this Board moved forward with our best efforts. Ms. Farley stated that reports will continue to be brought to the Board if this committee does meet.

#### 4. 2005 Critical Issues Timeline

Ms. Farley noted that last year new policies and procedures were adopted to set some process and planning into the Board operations. These policies included provisions for this Board to develop a list of critical issues to address and prepare for in the next year. In order to initiate this process, Ms. Farley asked members to submit their top five priorities for discussion by the State Board in 2005. Staff will attempt to incorporate these discussions into regular Board meetings and Study Sessions throughout the year. In addition, Ms. Farley stated that she will be working with the Superintendent's staff to highlight key initiatives of the Department and items to be brought to the Board in the following year. Ms. Farley reminded members that this process was well received last year from members of the education community. While the document is by no means a comprehensive list of everything the Board will act on, it helps staff in planning, helps the community to know the top issues to be addressed, and gives a possible timeframe for when those discussions will occur.

#### 5. NASBE

Ms. Farley pointed out that many members have been involved with NASBE in the last few months and last few years and there is a continued effort to find funds in the budget for the dues for membership in this organization. Ms. Farley spoke with the Executive Director of NASBE last week to discuss the new increase in dues of \$2000, which this Board received after the adoption of our budget. Ms. Farley stated that she is trying to make sure the resources are there to meet this additional cost. Ms. Farley is also working closely with NASBE to make sure we take full advantage of what is being offered to members and will present recommendations for further discussion as to events NASBE has planned and how we can utilize their resources.

### 3. CONSENT ITEMS

- A. Consideration to Approve Contract Abstracts
- B. Consideration to Approve Nominations to the Special Education Advisory Committee (SEAP).
- C. Consideration to Approve Appointments to the Professional Practices Advisory Committee (PPAC).
- D. Consideration to Budget and Accumulate in the Unrestricted Capital Section for Fort Thomas Unified School District.
- E. Consideration to Budget and Accumulate in the Unrestricted Capital Section for Sacaton Elementary District.
- F. Consideration to Budget and Accumulate in the Unrestricted Capital Section for Sanders Unified School District.
- G. Consideration to Budget and Accumulate in the Unrestricted Capital Section for Whiteriver Unified School District.
- H. Consideration to Approve Partnership With Parents, Inc. dba Desert Heights Charter School Contract Amendment.
- I. Consideration to Accept Monies Under the Teacher Quality Grant Awarded to the Governor's Office and implemented through ADE as Project AzTEP.
- J. Consideration to Accept Monies and Authorize Expenditure of Funds For the Child Nutrition Programs Pursuant to A.R.S. §15-1152 and §15-1153 and as Allowed by the U.S. Department of Agriculture.
- K. Consideration to Accept the Voluntary Surrender of the Credentials of the Following Certification Cases:

1. Jamie Carol Dufault, Case No. C-2004-089
  2. Erik W. McCollum, Case No. C-2003-013
  3. Tobias C. Smets, Case No. C-2004-090
- L. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Approve the Negotiated Settlements For the Following Individuals:
1. Gregory Peterson, Case No. C-2000-18
  2. Carol Ann Phipps, Case No. C-2001-109
  3. Thomas Phipps, Case No. C-2001-109
- M. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Approve Certification for the Following Individuals:
1. John Fontes, Case No. C-2003-088
  2. Michelle Kingsland, Case No. C-04-073 R
  3. Michael Roll, Case No. C-2004-079 R
  4. Ira Wilson, Case No. C-98-51

Motion by Ms. Hilde to approve the Consent Agenda as presented. Seconded by Ms. Kramer. Ms. Bittner requested that Items 3M2 and 3M3 be excluded from this motion for further discussion. Ms. Hilde concurred to modify the motion to accommodate this request. *Motion passes as amended with the approval of the consent agenda with the exception of Items 3M2 and 3M3.*

Ms. Bittner stated that she has some concerns regarding items 3M2 and 3M3 and while she appreciates the work of the PPAC, she would like further information because of the nature of what has transpired.

Item 3M2:

Mr. Yanez presented the background information. Mr. William Holder, legal counsel for Ms. Kingsland, stated that Ms. Kingsland was not present, as he had told her she did not need to attend. Mr. Holder added that if there were further concerns he hoped Ms. Kingsland would have the opportunity to address the Board at its next meeting. Mr. Holder added that Ms. Kingsland is currently employed at the same school, under the same principal. Mr. Holder represented that the school is satisfied that this was a one-time incident where she got angry with a student who was being disobedient and defiant and that Ms. Kingsland has completed counseling and is still employed at the same place to the satisfaction of the school district. He stated that her certification ought to be renewed based on these factors.

Ms. Bittner stated that her concern was that this was a special education student and asked if Ms. Kingsland was still under probation.

Mr. Holder recalled that the probation period was one year with quarterly reports from the principal, which was satisfied and included counseling (he believed it to be six sessions) which was completed. Mr. Holder added that Ms. Kingsland is not on probation any more. Also, according to Mr. Holder's recollection, he stated that Ms. Kingsland is still teaching special education at a different school in the same district and under the same principal who transferred to that school.

Mr. Yanez concurred with Mr. Holder's comments and added that Ms. Kingsland was required to attend counseling as well as anger management counseling which she did complete with no other conditions required.

Dr. Pedicone noted that Ms. Kingsland was reported by an assistant and went through the counseling voluntarily. Dr. Pedicone also clarified that there were no other incidents before or after and that Ms. Kingsland is still employed at the same place under the same conditions.

Mr. Yanez noted that the PPAC findings mentioned specifically that Ms. Kingsland had completed all conditions, that she is employed by the same school district with no prior or subsequent incidents.

Ms. Hilde stated that she was satisfied with the back-up materials in the file and noted the current letter of recommendation dated May 2004 from the principal. Ms. Hilde added that the only stipulation that continues to hold is that Ms. Kingsland not be involved in the school where the student attends but rather moved to another school and that principal subsequently went to that school.

Ms. Bittner expressed her appreciation for this discussion.

Motion by Ms. Hilde to adopt the findings of fact and conclusions of law of the Professional Practices Advisory Committee (PPAC) that Michelle L. Kingsland be granted certification. Seconded by Dr. Pedicone. *Motion passes.*

Item 3M3:

Mr. Yanez presented the background information.

Ms. Bittner noted her concerns were the charges that had been placed against Mr. Roll and what his behavior changes have been and what he has learned since then.

Mr. Michael Roll addressed the Board stating that his life was out of control ten years ago and he has spent the time since then moving forward and desires to be of service to others. Mr. Roll offered no excuses/arguments for his actions at that time, stated his humbleness at this time, and added that this seems like the next right step for him to take.

Ms. Bittner asked if his energies were now turned toward working with various organizations and with students and Mr. Roll replied, "absolutely."

Motion by Ms. Bittner to adopt the findings of fact and conclusions of law of the Professional Practices Advisory Committee (PPAC) and accept the recommendations of the PPAC. Seconded by Dr. Diethelm. *Motion passes.* Dr. Crow opposed.

#### 4. CALL TO THE PUBLIC

There were no public requests to address the Board at this time.

#### 5. GENERAL SESSION

##### A. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Deny Certification for the Following Individual:

##### 1. Denise Wilson, Case No. C-2004-17R

Mr. Yanez presented the background information. Ms. Wilson addressed the Board and pleaded her case for Arizona certification. Ms. Wilson stated she was forthright last year in her application for certification regarding her past arrests for cocaine possession in 1999 and being caught after having been off drugs for 3 years. Ms. Wilson added that in 1999 when she disclosed this to her administrator, her administrator was misinformed about needing to disclose this information to his superiors. Subsequently, she was asked to resign. The findings of the investigations of the Professional Discipline Unit are still pending in Texas. Ms. Wilson stated she takes full responsibility for her bad choices, that she has learned from her mistakes and is trying to move on with her life and career. Ms. Wilson noted that she has taught school for 21 years with an exemplary record and recommendations from every administrator she has worked for. Ms. Wilson added that she has made choices in her life that she is not proud of but that she has learned from all of them through drug rehabilitation and that she only blames herself. Ms. Wilson stated that she was less than candid with the review board and regretted that she did not take full responsibility for her actions. Ms. Wilson stated that teaching was and still is the reason for her being here, that she is a good person who has made some wrong decisions and wants to be honest and answer any questions the Board may have. Ms. Wilson pleaded with the Board to have the chance to be a certified teacher in Arizona.

Dr. Pedicone asked where Ms. Wilson taught.

Ms. Wilson stated she taught 16 years in Oklahoma City public schools, 3 years in Lubbock Independent School District, Lubbock, Texas, at Sylvan Learning Center, Phoenix, at ChildHelp USA, Wickenburg, and presently at Lifestyle Center for at-risk youth.

Dr. Pedicone asked when she moved to Arizona and Ms. Wilson responded that after being asked to resign in Texas she ended her relationship and moved to Arizona.

Ms. Hilde commented that Ms. Wilson had not been candid with the PPAC and that was one of the reasons for the PPAC's recommendation, and she asked what Ms. Wilson might have said differently at the PPAC hearing?

Ms. Wilson responded that she would have said what she told the Board today and added that she would have taken full responsibility. Ms. Wilson noted that she felt the PPAC thought she was making excuses

for what she had been through and didn't mean for it to come out that way. She added that after the hearing was over, she realized they didn't think she was candid and wanted to make sure that this time she was completely honest in each item.

Ms. Barbara Eden, mother of Ms. Wilson, addressed the Board on behalf of Ms. Wilson, vouching for Ms. Wilson's character and the special relationship she has with her students.

Mr. Don Eden, father of Ms. Wilson, addressed the Board on behalf of Ms. Wilson, stating that Ms. Wilson wanted to be a teacher all her life. Mr. Eden noted his pride when he saw the performances of Ms. Wilson's students.

Ms. Kramer asked Ms. Wilson if she has participated in drug rehabilitation?

Ms. Wilson noted she attended a 30-day out patient drug rehabilitation program and attends Narcotics Anonymous meetings periodically. Ms. Wilson added that she likes to work with at-risk children for that reason.

Dr. Pedicone noted that this is a very difficult decision and asked if the State Board decides to accept the PPAC's recommendation, under what conditions Ms. Wilson can reapply for certification?

Mr. Yanez responded that pursuant to new legislation, if Ms. Wilson is denied certification she cannot re-apply for a period of five years.

Ms. Epstein added that if the State Board accepts the PPAC's recommendations denying certification, Ms. Wilson would have a right to an appeals hearing.

Dr. Crow asked if this means the hearing would focus on procedure or content?

Ms. Epstein responded that if Ms. Wilson chooses to appeal the hearing would be an opportunity for the record to be fully developed dealing with all allegations, with witnesses and the full process. This would then come back to the State Board to review the findings of fact and conclusions of law.

Superintendent Horne asked if this hearing gives deference to exercise discretion by the State Board?

Ms. Epstein responded that the hearing is held before the PPAC so they conduct the hearing and then it comes to the State Board and the State Board would then have the options of accepting, rejecting, or modifying the conclusions.

Superintendent Horne asked if this hearing takes place, is it a hearing from scratch and Ms. Epstein responded "yes".

Ms. Hilde clarified that then there would be an opportunity to re-do the candor issue and an opportunity for that to be handled differently on the part of the applicant if she would so choose. Ms. Epstein responded "yes".

Ms. Wilson added that she has 30 days to get certified for this job and that she is also attending graduate school at the University of Phoenix for a Masters in Special Education.

Motion by Dr. Pedicone to adopt the findings of fact and conclusions of law of the PPAC and deny certification for Ms. Wilson. Seconded by Dr. Diethelm. *Motion passes.*

B. Consideration to Adopt the Professional Practices Advisory Committee's Findings, Conclusion and Recommendation and Uphold The Denial of Teaching Credentials for the Following Individual:

1. Clayton Thompson, Case No. 05-03-06

Ms. Farley distributed a letter received this morning from Mr. Thompson who was expected to be at today's hearing but has notified the Board that he is unable to attend due to the fact that he is working at a job in Texas. Mr. Thompson has asked that this letter be distributed for the record.

Mr. Yanez presented the background information and asked if the Board had any questions.

Time was allowed for members to read Mr. Thompson's letter.

Motion by Dr. Pedicone to adopt the findings of fact and conclusions of law of the PPAC and uphold denial of certification for Mr. Clayton Thompson. Seconded by Ms. Kramer. *Motion passes.*

Dr. Crow asked if the results of this vote will be sent to Texas to which Mr. Yanez responded that whenever there is a denial or any invalidation of a certificate this information is sent to all states and territories.

C. Presentation, Discussion and Consideration to Approve Notice of Supplemental Rulemaking for the Arizona Early Childhood Education Certification and Endorsement, R7-2-612(I)(J) and R7-2-613(L).

Ms. Karen Woodhouse, Deputy Associate Superintendent, Early Childhood Education, Arizona Department of Education, presented background and updated information requesting approval of a notice of supplemental rulemaking. Ms. Woodhouse acknowledged the continued support for the Early Childhood Teacher Certification and Endorsement and the continuing development of a professional development system for early education in Arizona under the auspices of the School Readiness Board. Ms. Woodhouse reported that identification and solicitation for money to fund more scholarships and grants is in the initial stages. She also noted that work continues toward formal articulation agreements between community colleges and 4-year institutions. Ms. Woodhouse added that an Early Childhood Professional Development Advisor is being proposed as a resource for students in formulating a personal professional development plan; provide scholarship applications and financial aid advice. Mr. Woodhouse noted that these items are indicative of the commitment of early childhood professionals to provide support to individuals who wish to obtain the Early Childhood Teacher Certification or Endorsement.

Ms. Hilde thanked the division for taking the current professionals in the field who are not yet certified and perhaps not holders of a college degree and assuring them that they have mentors and pathways to this process.

Dr. Pedicone asked if this endorsement is voluntary?

Ms. Woodhouse responded that it is but there will be a requirement that anyone who is teaching in a program that services children birth through kindergarten in a public school setting must be certified. If they are already certified in another area, they may add an Early Childhood Endorsement onto another type of certification and meet the requirements.

Dr. Pedicone noted that with this endorsement they would be more qualified and Ms. Woodhouse responded affirming they would be with the added content and coursework in this area.

Motion by Ms. Hilde to approve Notice of Supplemental Rulemaking for the Arizona Early Childhood Education Certification and Endorsement, R7-2-612(I) and (J) and R7-2-613(L). Seconded by Ms. Bittner. *Motion passes.*

D. Presentation, Discussion and Consideration to Approve the FY 2005 AZ READS Grant Awards.

Ms. Farley presented background information regarding the AZ READS Grant, which provided \$1M appropriation for professional development for K-3 teachers in scientifically based reading instruction. The State Board partnered with the Arizona Department of Education to find ways to parallel this with the Reading First Grant where the Department utilized federal dollars to provide similar services and training for teachers. Ms. Farley reviewed some of the history when this was referred to as the phonics grant and the implementation changes that have occurred over the last few years. Ms. Farley noted that an evaluation component was added this year and Dr. Eugene Judson, School Effectiveness Division, Arizona Department of Education, reviewed this evaluation. Ms. Farley added that previously the vendor reported an evaluation themselves, last year we added this Department review and next year staff is working to try to add some evaluation on the impact on the students from the teachers who participate in these scientifically based reading professional development programs. Ms. Farley stated that the hope is to provide further direction to the Board in making these recommendations and awarding these funds. Ms. Farley added that the amount dedicated to administering these funds will be allocated toward the evaluation of the program.

Dr. Judson utilized a PowerPoint presentation to give an overview of the programs and demonstrate the evaluation results (please see presentation in materials packet). Dr. Judson recommended to continue funding with Scholastic and Voyager but added a word of caution to Voyager that they needed to be responsive to recommendations made in regard to acknowledging instructional delivery. It was recommended not to continue funding the Co-nect program.

Dr. Diethelm asked if all three providers have expressed plans for improving their programs in the future?

Dr. Judson recalled that Co-nect gave the largest response as far as their plans for changes since they had partnered with WestEd and their plan is not to continue to partner with WestEd and be more responsive to the classroom. Dr. Judson added that the very fact that they will not be partnering with WestEd gives him cause for hesitation because that would indicate a different type of program and any type of literature or research they had to back themselves as being scientifically based research may not still be applicable in a different program. Dr. Judson added that Scholastic said they will be responsive to some of the changes about the timing of the program and Voyager said they would also be responsive regarding technology interface and ease-of-use.

Dr. Diethelm questioned whether there is an advantage from the program administrative point of to having only two providers instead of three and Dr. Judson responded that he saw no advantage.

Dr. Pedicone noted he was not surprised that Scholastic got a good review but was surprised that the WestEd program did not. Dr. Judson responded that he could not determine from the response letter but looked at it primarily as a Co-nect Program with WestEd providing a component through Co-nect. Ms. Farley added that the contract is with Co-nect; Co-nect submitted the application and are the primary contractor.

Ms. Kramer added that her district received the training from Co-nect and quoted their instruction coordinator as saying the training was excellent. Dr. Judson responded that for the responses from non-teachers, curriculum developers, etc., there were no statistical differences between the vendors. The different responses were at the teacher level and within each group there are always positive responses but this is a look at the overall evaluation.

Ms. Hilde asked how many classrooms were anticipated to be impacted and how many people were served? Dr. Judson deferred to Ms. Farley who stated the contracts were written for a per-teacher price guarantee and each vendor went to the districts and enrolled teachers independent of the State Board. Each vendor had met the numbers they were allocated for and had waiting lists.

Ms. Hilde asked if 206 responses for the evaluation was correct? Dr. Judson responded that 206 responses was correct and Ms. Farley added that the number of responses was very small compared to the number of teachers provided services. Ms. Farley reviewed the total number of teachers receiving training from each provider. Dr. Judson added that the survey was done electronically near the end of the school year and with one of the providers, the survey had to be administered through districts so that was one more step removed. Ms. Hilde stated she understood that part.

Mr. Nathan Sproul and Mr. Vernon Johnson, Voyager Expanded Learning, addressed the State Board stating they had 325 teachers involved and about 55 administrators. They had 43 teachers who have been coaches and principals who participated in the course and received graduate credit from NAU or Chapman University. They pledged to work hard with the State this year to improve the quality and amount of response to the evaluation and proactively work with the State. The design seems to fall apart when it gets to the district, so they want to build into the training, district and teacher commitments so they are working together throughout the year to respond to things that relate to the evaluation. In addition, they stated the results this year were not as good as last year when they had 700 teachers involved because they had only completed the first module study out of eight. They will look at dove-tailing the timing of the evaluation with the actual content being delivered for a truer reading.

In regards to technology issues, the Voyager representatives stated they were insignificant and mostly related to the fact that since this is a web-based program the password had to be entered correctly and/or firewalls at schools caused some hindrances. The Voyager technology team has been working on this for this year.

Voyager noted this is the second year they have served Arizona in this capacity having trained about 1000 teachers, K-3, K-6, special education, and ancillary instructional staff, and the feedback thus far has been very good. Their focus is on teaching teachers how to teach reading regardless of the reading program they use. They utilize a blended training model with about one-third of the time spent online, some time in a study group, and some time in classroom practice (about 50% of the time). It takes about a full academic year to get through the program, i.e., a month is spent on fluency, a month on phonemic awareness, etc.

The goal is for the teacher to get practice time in the classroom until it makes sense to them and they are comfortable with the program. Voyager serves all parts of the state from very rural to large urban areas and they hope to continue to serve Arizona.

Mr. John Lent, Scholastic, addressed the State Board applauding the Legislature and State Board in making this program available to K-3 teachers. Mr. Lent noted that Scholastic delivered on their promise regarding this training program and noted that 1161 teachers were reached, 131 literacy specialists were trained, and they were in 148 Arizona schools. The teachers took one of two courses offered one of which focused on the five fundamental building blocks of reading instruction and one was building fluency in grades K-2. Mr. Lent noted that as the evaluations are examined, Scholastic provided exemplary value to the state. Mr. Lent thanked Dr. Judson for the evaluation noting that greater participation would be better but the results yielded were valuable. Mr. Lent also commended the fact that next year student data will be looked at which is the next important step in looking at professional development. Mr. Lent was pleased with the positive reviews and noted it was helpful that teachers could access from home to do this. Mr. Lent stated that Scholastic is working with leading national researchers and master teachers to develop the programs and they look forward to working with more teachers in the year ahead.

Ms. Farley added that Co-nect provided services to 628 teachers.

Motion by Superintendent Horne that the State Board approve the AZ READS Grant Award for fiscal year 2004-2005 to Co-nect, Scholastic and Voyager to offer professional development scientifically based reading research to K-3 teachers. Seconded by Ms. Kramer.

Dr. Diethelm asked for clarification of the motion and Superintendent Horne modified the motion to include Scholastic and Voyager, omitting Co-nect. Second withdrawn by Ms. Kramer.

Motion to award the grant to Scholastic and Voyager seconded by Ms. Bittner. *Motion passes.*

*A brief break was taken at 10:55AM and the meeting resumed at 11:15AM*

- E. Presentation and Discussion Regarding Teacher Quality, Including, But Not Limited To,
  - 1. Updates on Certification Reform Activities,
  - 2. On-Line Certification,
  - 3. Updates on Teacher Preparation Program Evaluation Activities,
  - 4. Partnerships with National Council for Accreditation of Teacher Education (NCATE), and
  - 5. Teacher Testing.

Ms. Kathy Wiebke, Deputy Associate Superintendent for Highly Qualified Professionals, Arizona Department of Education, presented the background and update of activities in the Highly Qualified Unit. (see materials in packet).

Dr. Diethelm asked about the institutional regulations as discussed before and stated that in his opinion schools must teach the practical skill of writing lesson plans from the state standards and he noted this would be a good exercise. In addition, Dr. Diethelm noted technology skill, called formative assessment, is also critical and should be included in the future discussions with NCATE and other accrediting organizations.

Ms. Farley added regarding online certification, that they have engaged in numerous conversations about the increasing amount of data that will be available in terms of areas of certification, better numbers and looking forward to improving the status in things such as the quality counts surveys in terms of having good data.

Ms. Farley recommended that a next step could be that other licensing boards in Arizona and other education licensing entities in other states provide additional public information via the internet. Ms. Farley noted that she and Ms. Wiebke have looked at the increased technology that will be available in the certification unit and the possibility of putting information online regarding teacher certificates, when they were certified and whether or not any disciplinary action has been taken by this Board. Ms. Farley noted that the Nursing Board, the Bar Association and other entities do this and Ms. Farley is in contact with AEA as to whether this is possible and will bring back a concrete proposal in the next few months as to what this might look like. Ms. Farley stated the hope is that parents will have an interest in the teachers who are educating

their children and will find out about them, engage in dialogue about their background and perhaps a positive relationship between parents and teachers will be fostered.

Dr. Pedicone noted that not only is the data important but the manner in which it is launched or presented is also important.

Ms. Farley responded that this would be a positive release of information and source for parents.

F. Presentation and Discussion of Status of Professional Preparation Programs Including Consideration to Approve New, Modified and Additional Professional Preparation Programs, Pursuant to R7-2-604.

Ms. Kathy Wiebke, Deputy Associate Superintendent for Highly Qualified Professionals, Arizona Department of Education, presented the information consistent with the Board's request at the May 2004 meeting regarding the new, modified and additional professional preparation programs. (see materials in packet).

Ms. Priscilla McNulty, Senior Counsel, Capella University, with Mr. David Lujan, Local Counsel for Capella University, addressed the State Board regarding a misunderstanding. Ms. McNulty noted that Capella established an office on Camelback Road in 2001 with the intent of establishing a hub for a growing organization and particularly for the core programs in Leadership Education and School Psychologist Programs. Ms. McNulty noted their increasing activity in the state which includes holding colloquiums that included more than 1000 students in attendance for a two-week period, two commencements, thirty-two faculty members, and that they have plans to continue to grow. Ms. McNulty stated that incumbent upon those plans is the continued approval of the aforementioned programs because Minnesota does not approve programs at the Masters Degree level. The University of Minnesota has approved many of Capella's programs and other comparable educational institutions have told them they are raising the bar. Ms. McNulty added that they have a national base of students and added that every student who has sat for an administrator assessment has passed.

Ms. McNulty stated that their renewal is up and they are looking at full approval. She reiterated that they started communicating in January with the Department and were directed to staff about continuing their IR approval. She stated that in March they were told that decisions regarding those guidelines were going to be made and representatives were sent to that meeting. At that time, Ms. McNulty stated they were told that they would continue to be considered and were assured the Board would be flexible on deadlines given that the guidelines were not in place and they understood an August 30 deadline for submission of the application would be sufficient given that their approval goes through November. Ms. McNulty stated that they have prepared the application and had a copy with her at this time and added that copies were being submitted to the Department this morning.

Ms. McNulty stated that the first notice there was an issue did not come from the Department but through one of their faculty. Ms. McNulty stated they had no idea there was ever a question or any issue with Capella's application. She noted that all the resolutions discussed new additional programs and did not state renewal programs. Ms. McNulty stated they asked for clarification and were continually told that the August 30 date would be sufficient. She stated that people were supposed to understand that those application deadlines included renewals and respectfully submitted that they did not understand that. Ms. McNulty reiterated that the application was being delivered to the Department today and that they are looking for an equitable decision and asked the Board to accept their application. Ms. McNulty suggested that an appropriate action of this Board would be either to extend their approval and allow them to go through the process of full application or to allow them the same courtesy that was extended to institutions who were approved from December 2003 which is that their two-year approval was extended and they would then go through the full application process under the new guidelines.

Dr. Pedicone asked if there were any concerns about Capella's performance?

Ms. Farley responded that this is the first time Capella is seeking renewal or full approval and therefore this is the first time to receive information on graduates or information on the AEPA and items required under Board rules.

Dr. Pedicone clarified that the document today should include all required items under the rubric and Ms. Farley responded this is correct.

Dr. Pedicone asked the reason the application wasn't submitted like the other institutions.

Ms. McNulty responded that they did not receive the template for the application until around June 3 or 4 and because they kept coming back and asking how they should apply they kept being told that the guidelines were forthcoming. Finally on June 3, Ms. McNulty stated that they had a conversation and the template was delivered by email. The process was begun at that time with the understanding that if it was in by September they would have enough time. Ms. McNulty submitted that it would have been impossible for them to put this together any sooner than they did.

Ms. Farley added that this has been addressed by the Board over a period of several months and the institutions that have IRs were informed that these conversations were going on but it was a process and all needed to come up to speed with where we were with the Institutional Recommendation Programs and where we would like to go and then address how to handle institutions with current IRs. That process started in February with information. In March the first group of issues were addressed, in May the second group of issues were addressed with the idea that these were the final outstanding issues. The outcomes of these discussions are reflected in the March 2004 minutes which state recommendations will be coming back regarding institutions that have existing IRs. The motions made in May were the correspondence that was sent to each of the institutions that have existing IRs and according to those motions, they primarily talk about new programs and new institutional recommendations. Ms. Farley stated she believes that this is where the confusion was. While those motions were sent out to every institution that had an IR, staff's understanding of the motions that were made and the intent of the Board was for everyone to fall under those parameters and timelines and based on the conversations at the Board meeting, that was a reasonable understanding. However, Ms. Farley added, not all institutions were present and, taken at face value, her understanding is there was confusion on the part of Capella believing they did not fall under that timeline. Capella is now requesting that their evaluation be accepted and taken through the same system the rest have been taken through.

Dr. Pedicone asked that if Capella was not present at one of the meetings and simply received the correspondence could it have been confusing?

Ms. Farley responded that if the motions were just read with Capella's belief that they are not submitting any program changes and have an existing IR without further clarification there could have been a misunderstanding.

Ms. Wiebke clarified that on Thursday, May 27, all institutions were notified. Ms. Wiebke noted that she has met with staff on several occasions regarding this issue and the person referred to by Capella does not say that she extended the deadline, however, there could be miscommunication.

Dr. Pedicone asked why the end of September was suggested and if Capella was indicating this date was given by a staff member?

Ms. McNulty responded that they were told that if they submitted by September it would be enough time for approval. Ms. McNulty noted they were not here to talk about who said what but that Capella has a substantial investment in Arizona, has enjoyed being here, has 32 faculty members and 300+ students and 100+ graduates and are serious about continuing the program in Arizona.

Superintendent Horne asked Ms. Wiebke if there would be a problem in extending the deadline to today for submission of the application. Ms. Wiebke responded that the committee will have to be convened especially for this one institution in order to process this in a timely manner. She also noted a concern that although she can see where there is confusion, they have told other institutions that they would have to wait until the rubric is in place because their paperwork did not come in by the deadline.

Superintendent Horne asked if these were institutions with existing IRs and Ms. Wiebke responded that these were new programs.

Ms. Hilde clarified that Capella is currently on a conditional IR and has been for two years and asked if normally the process would be to submit something different to go to a permanent IR status or something to stay conditional? Ms. Farley responded that because of the confusion with the IR program, all other

institutions were allowed to continue their conditional approval based on the fact that the rubric was going to be changing. These institutions will be expected to comply with those changes in a timely manner, and a request for them to submit all information for full program approval was sent. Full program approval under existing Board rule doesn't provide anything different than conditional approval because it is only another two years with the understanding that the entire rule needs to be addressed. Recommendations on the rubric and the process and new rulemaking to be considered for a conditional approval again is what will be coming to the Board.

Ms. Hilde stated that part of her concern about doing a full-blown review of an IR status is that those who are currently involved with establishing new rules are fully involved in that process, meeting very regularly, and from her standpoint it seems to be better to extend the conditional an appropriate time and then do a new review based on the new rubric and not ask the review committee to put on hold what they are doing to look at this one application.

Ms. Farley stated that to be consistent with the way other institutions have been treated, this required information was requested to make sure the issues of compliance are met in terms of the existing Board rule. If those are met, perhaps then the extension could be considered consistent with what the other institutions received which was December 2005. Ms. Farley recommended that since Capella has put together this large document and because other institutions were required to prepare this information, at a minimum, staff should make sure current Board rules are met.

Dr. Pedicone suggested that staff could make sure all documents are complete and then a decision can be made as to an appropriate timeline.

Mr. Horne voiced his understanding that an extension of the deadline would be necessary to get this application in, in order for them to be eligible to get an extension of a conditional approval. Ms. Farley stated they need authority to accept the application today and conduct an evaluation and if the Board so chooses the Board could be apprised at the September meeting as to whether or not Capella meets all of the criteria and the extension could be made at that time. Ms. Wiebke added that this could be done by the September Board meeting.

Motion by Superintendent Horne that the Board grant authority to accept the application today that has been presented. Seconded by Dr. Pedicone. *Motion passes.*

Motion by Ms. Hilde to approve the new, modified and additional professional preparation programs, pursuant to R7-2-604 as listed and detailed in the Overview. Seconded by Ms. Kramer. *Motion passes.*

*The Board took a lunch break at 11:50AM and reconvened at 12:35PM.*

G. Presentation and Discussion Regarding Dual Purpose Assessment Activities and Development, Including, But Not Limited To:

1. The Linkage Study and NAAAC's Recommendations
2. Student Report Development
3. Item-Writing Schedule

Dr. Donna Lewis, Associate Superintendent, Accountability Division, Arizona Department of Education, and Ms. Roberta Alley, Acting Deputy Associate Superintendent, Assessment Division, Arizona Department of Education, presented information regarding Dual Purpose Assessment activities and development of the contract.

Dr. Bruce Randall, CTB McGraw-Hill, presented updated information regarding the linkage study as they rapidly acquire necessary schools to participate in the study. The design has been reviewed and the expectation is that this will go very well. Ms. Basha asked how many schools are needed for the study and Mr. Randall explained that approximately 400 classrooms are needed and at this point they have 100 schools in the application stage. Enrollments are coming in rapidly as well as verbal agreements.

Ms. Hilde referred to page 4 where a statement indicates that it is not recommended to use the results to predict and asked of other states have gone to SAT10. Knowing that a good many parents keep files of reports, she asked how parents will be able to look at last year's SAT9, this year's TerraNova and tell if they are still on track. Mr. Randall explained that the outcomes are produced in concordance tables,

showing by grade and content area the scores on the SAT9 and how they relate to TerraNova. The tables can be used to determine that the student who took TerraNova in the spring receiving a certain score, the score will relate to a specific score on SAT9. The table will assist users to make the transition from one test to the other.

Dr. Pedicone asked what the plan is to launch this program so parents can have an idea of how to have faith that this is going to be a legitimate measure.

Mr. Randall responded that they first provide a detailed technical report that has all statistics, results, evaluations, etc., to the state education department and the advisory committee. From there a communication plan is worked out with the state to interpret and communicate the results of that study that is more accessible to people in simple terms and clear messages.

Ms. Alley added that a copy of the proposed report forms were provided today for members and noted that clear information for parents is a priority as the forms are developed. Ms. Alley noted that information on how to look at the TerraNova scores this year in relation to SAT9 scores of last year should be added. She added that the reporting forms that have been developed are the format in which the information will be presented to parents and schools.

Ms. Hilde asked if there is a 30-day turn-around from when the company receives the tests until the scores come back here. Ms. Alley confirmed there is a 30-day turn-around from when the last test booklet is received at the scoring center to have the information back to the districts.

Ms. Hilde asked if one school is late, does this mean that no tests are scored until all are received? Ms. Alley responded that this is the due date for all answer documents to be at the scoring center. In the past two years, there has been a very strict guideline that if a district is late, the others are not held up for those late arrivals. The district/school would have to pay for their scoring to be done at a later date.

Ms. Hilde clarified that a school can't get a jump on scoring by making sure they get a faster turn-around than that due date. Ms. Alley responded that the due date will stay in effect and the scoring process will start when all answer documents are at the scoring center.

Ms. Hilde reiterated another question that she has received as to the timeline from the state to the district.

Dr. Lewis responded that they are working toward a very tight 30-day turn-around this first year because of the standard setting process, but there is no delay at the state since the scoring goes directly to the district and the district has verification responsibilities. Mr. Horne added that the district distributes the scores to parents.

Dr. Diethelm asked about the testing window, to which Ms. Alley responded the last day of the testing window is April 22 and then there has to be an amount of time given to the districts and schools to package, sort, re-package correctly and ship them to the testing company's scoring center and that is when the 30 days starts. Ms. Alley stated that a week to 10 days after the 22<sup>nd</sup> would be the approximate date the scoring center is expected to receive the documents. This would be May 1 at the latest and then 30 days later, or approximately June 1, the student reports could be expected to the districts, which is important data to use in planning the next year.

Mr. Horne added that with the new AIMS test starting next spring, the reports will be by concept, having gone to standards, with major headings being Strands and the sub-headings are Concepts. The tests will be lengthened to have concept results which is much more useful information for parents and educators.

Dr. Diethelm suggested that if schools have data by June they ought to be able to use it for next year's planning.

Mr. Horne noted that for the first time they will be able to tell which concept the student falls short on in time for summer school.

Dr. Pedicone noted that dialogue has to happen among the districts so they can take advantage of the guiding of instruction as a result of this data.

Dr. Lewis stated their mantra is de-mystifying accountability to inform instruction.

Ms. Alley added that they plan to be on the road a lot this year to answer questions. Dr. Pedicone stated it is important to get principals and superintendents informed.

Ms. Hilde stated a concern that one school noted regarding time to verify data and asked how long small

districts have to conduct this verification before information is released?

Dr. Robert Franciosi, Education Program Administrator, Director of Accountability Systems and Reporting, Research and Evaluation Section, Arizona Department of Education, stated that schools could do this as soon as they receive the data CD. All information will come from SAIS this year and given to the districts to look at before it is sent to the testing company, so any differentiations would be caused by the small number of students who move around within the timeframe that labels are sent in to the testing center. Ms. Hilde clarified that the labels are pre-coded to individual students and Dr. Franciosi confirmed. Ms. Alley added that the goal is to see that the schools/districts have the information as soon as possible. Ms. Alley also addressed the writing item that is being developed and presented a summary of what has been completed to date in this two-year process.

Ms. Hilde presented a resolution received from the Amphitheater District asking if it was possible for a turn-around on their high school scores prior to the end of the school year and if it was possible in the scoring process to do the 10-12 grades first.

CTB's representative introduced Ms. Cynthia Fisher, Program Manager, Mr. Mike Noble, Director of Program Management, Ms. Christine Yeato, Assessment Consultant, Dr. Carly Egen, Scientist on Standards, and Dr. Bruce Randall, Equating Study, who all are working on this project. In regards to one district getting preferential treatment, it is possible, but it is a decision the Board has to make. The tests are batched and verified and then analyzed.

Mr. Horne clarified that the question was not necessarily asking for one school to receive preferential treatment but rather could high school student scores be completed sooner. Mr. Noble responded that their plan now is to have the reading and writing back by April 5 for high school and May 27 for the Math, but to try to get it done sooner than that would be really tough.

Dr. Pedicone noted that this is a legitimate issue since kids usually graduate in the 3<sup>rd</sup> week of May and will be in a state of suspension until the scores are in.

Mr. Noble suggested that possibly the test window for math could be changed in order to get scores back at an earlier date.

Mr. Horne mentioned that graduation in 2006 is the one affected and those seniors who have not yet passed AIMS are given a shorter turn-around to know if they have graduated or not. The Board should know that this year is extremely difficult because standard setting is occurring as part of this 30-day process and most years this will not occur. A lot of effort has been put into working with CTB to stay within the 30-day time period. Mr. Noble added that next year will be easier and they are working with all possibilities at this time.

H. Presentation, Discussion and Consideration to Approve Modifications To the AZ LEARNS Accountability Formula, Including, But Not Limited To, the Formulas For:

1. Inclusion/Exclusion of Extended Writing in the Added Evidence Portion of the Formula
2. Small Schools,
3. K-2 Schools, and
3. Alternative Schools

Dr. Donna Lewis, Associate Superintendent, Accountability Division, Arizona Department of Education, introduced Dr. Robert Franciosi, Education Program Administrator, Director of Accountability Systems and Reporting, Research and Evaluation Section, Arizona Department of Education, who addressed the above issues. (See PowerPoint presentation in materials packet). Dr. Franciosi pointed out that one simple modification to the current AZ LEARNS formula is being made to fill in some of the gaps and their hope is to have this ready to be present at the October 2004 State Board meeting. Dr. Franciosi stated no weight is given to the extended writing scores with MAP. In the past this has been a combination with the essay and this year it will be only essay. Dr. Franciosi presented an overview of the AZ LEARNS Achievement Profiles as it stands now and then the item submitted for approval today.

Superintendent Horne added that with AIMS at every grade level now Norm Referenced Testing will be eliminated. He added that we will move from math that is based on the percentage students made in one

year of progress to one that measures the amount of progress all students made so that students that make two years' progress will get double benefit. This is a more sophisticated level of measurement that hasn't been done before.

Dr. Franciosi stated the for a long-term goal as a measure of student progress AIMS is used. Next year, still a transition year since there will be only one year of AIMS for every grade level, this is still a gray area to be sorted out. (See additional materials in packet)

Motion by Dr. Pedicone to approve the exclusion of extended writing portion from the added evidence portion of the AZ LEARNS formula. Seconded by Dr. Diethelm. *Motion passes.*

Dr. Franciosi presented information regarding the rubric for evaluation of extremely small schools stating that when the profiles were first published two years ago, there were three classes of schools that did not receive profiles:

- Extremely small schools, about 334
  - A school in which more than 1/3 of the subject grades have fewer than 16 students on average in the baseline years of 2000-2001
  - Also defined in A.R.S. §15-241 as a school that has less than 100 students
  - These schools get a small school adjustment
  - Possible to meet this definition and still have more than 100 students, i.e., 8 grades, 15 students in each grade, but less than 16 per grade necessary to be evaluated under this formula

Dr. Franciosi explained that this year AZ LEARNS profiles will be given to approximately 500 schools that have not yet received profiles and that the AZ LEARNS formula will be used in the rubric for all schools. Dr. Franciosi noted that approval is being sought today for the scales based on the level of school performance, basically high school MAP. Also, since extremely small schools have so few students the baseline growth formula cannot be used because the movement of one or two students would affect the number of points. Therefore, the baseline formula is used. Dr. Franciosi added that the approval request today is of the scale developed last year and based on the level of school performance creates a "second look" concept.

Ms. Hilde asked if samples from 2 or 3 "real live" schools could be sent to members in order to see how this really works? Dr. Franciosi clarified that real schools' information cannot be used due to confidentiality reasons, but a scenario could be created to show the formula. Ms. Hilde asked if a school could show members their own formulas and Dr. Franciosi answered, "yes".

Dr. Pedicone stated he wants to support these efforts, as he believes they are in the best interests of the schools, but he asked for more clarification as to what this looks like. Dr. Pedicone wondered if small schools are capable of doing this. Dr. Franciosi added that in the past few months they have been going into detail with the schools and will continue to do this in the future. He stated that Ms. Bittner assisted in hosting a 3-4 hour session in Globe and they are committed to making this as transparent as possible. Documentation is on the web and examples will be available to members. Highly technical manuals are available for schools as visits to schools by ADE staff will begin in the winter.

Ms. Basha asked if the schools actually put their numbers into the profile during the school visits. Dr. Franciosi explained that the formula was given to them, which was enough information for them to go back to their school and use their own data. Feedback has been received indicating this was very useful and judging by this round of profiles, Dr. Franciosi noted the questions are much more sophisticated with a higher level of understanding than last year.

Dr. Pedicone asked if this is approved, would it be re-visited again in a period of time to analyze what the results look like and the effect it has on schools? Dr. Franciosi responded that they will come back and show the impact. Dr. Pedicone asked if flaws show up in the way the profiles are determined, would it be re-visited to re-establish a refined system? Dr. Franciosi answered, "right".

Dr. Franciosi added that another component of the extremely small schools' profile, given the fact that the stakes are so high, is that they are given a second look. The margin of error is calculated and considered in the label that is prescribed to the school. Dr. Franciosi continued in reviewing the methodology used in

calculating AIMS points for extremely small schools and asked the Board for approval of this methodology.

Dr. Diethelm asked what the error range is? Dr. Franciosi responded that assuming the range is in the middle, the range would be 10-20 percentage points or 5%.

Motion regarding request (A) by Superintendent Horne to adopt the methodology for calculating the AIMS scale score points for extremely small schools. Seconded by Ms. Hilde. *Motion passes.*

Dr. Franciosi presented information regarding the calculations of MAP, AYP, etc. Dr. Pedicone asked if these were included in the discussion with other small/rural schools. Dr. Franciosi responded that all AIMS, MAP graduation dropout rates are converted to the scales for points, and the points are added up giving the school profile. Dr. Pedicone asked if Dr. Franciosi was confident that the data will be gathered in a fair and consistent process and Dr. Franciosi replied, "right". Dr. Pedicone noted that the State Board will be accountable in explaining to people they will be talking to. Dr. Franciosi added that they have an accountability working group with representatives from small, rural, charter and all types of small districts with whom this formula has been discussed and they feel that everyone who will be impacted has looked at it.

Ms. Farley added that consistent with the dialogue among Board members, she spoke with Mr. Mike Smith, Arizona Schools Administration, who has worked with the small and rural schools for some time, to see if they might get together, run some of their data before the October release and let us know if there are big glitches that were unforeseen. Ms. Farley noted that she will include Dr. Franciosi and continue those conversations on behalf of the Board.

Dr. Pedicone stated this makes sense and seems logical but until it is seen it is hard to say whether or not it is doing the intended job. Dr. Pedicone affirmed his high level of trust for what has been presented and his faith in this staff but added that many of the people, who made covenants with the Board last year regarding procedures that were to be implemented this year and which will have dramatic effects on schools, are no longer here which results in lots of questions. Dr. Pedicone added that there is angst in this decision and needs something that will come back and say this is what it looks like so the Board can feel confident it is doing the right thing.

Motion regarding request Item (B) by Superintendent Horne that for the extremely small school achievement profile the Board adopt the calculation of scale score points for added evidence (MAP), graduation and dropout rates, adequate yearly progress (AYP), and the application of the percent-exceeding thresholds for "highly performing" and "excelling" schools using the same methods and parameters approved September 16, 2003. Seconded by Ms. Hilde. *Motion passes.*

Dr. Franciosi presented Items (C) and (D) requesting adoption of the margin of error calculation for small schools and the possibility of re-classification based on those calculations.

Motion by Superintendent Horne to adopt the recalculation of AIMS scale score points for underperforming extremely small schools as described to the Board and if this results in sufficient scale score points for a school to not be labeled "underperforming" that the school receive a "performing" label. Seconded by Ms. Kramer. *Motion passes.*

Dr. Franciosi presented action Items (E) and (F) asking the State Board to approve the scales given in Tables 5 and 6 for extremely small schools, which were approved by the Board last year.

Motion by Superintendent Horne to adopt the school classification scales given in Tables 5 and 6 for the evaluation for extremely small schools and that for schools with less than 16 students in MAP analysis they do not received added evidence points and be measured against the classification scale in Table 6. Seconded by Ms. Kramer. *Motion passes.*

- Alternative schools designed to serve at-risk population, about 118
  - To gain this status the school must apply to the ADE

Dr. Franciosi presented background information and noted these schools serve at-risk population and must state this in their mission statement. Most of these currently are high schools that vary widely in size from

very small to several hundred students. Dr. Franciosi noted that basically they had to come up with a formula that could be applied to large and small schools and could also be applied as the schools grew. He noted the challenge was to come up with a methodology to evaluate all forms of alternative schools. Many alternative schools are extremely small so the calculation is done the same as the one for extremely small schools. Dr. Franciosi explained that since the percent tested is a component of the No Child Left Behind evaluation this was dropped from the calculations and two labels were created for alternative schools, underperforming or performing. (See complete materials in packet)

Ms. Hilde asked if a parent would be able to differentiate between the school profile saying an underperforming label would relate to an underperforming label of a normal-sized high school and would an alternative school be on par from a testing standpoint in accomplishment level the same as a neighborhood public school that is rated performing.

Dr. Franciosi responded that they are comparable in one sense but the scale is much lower for an alternative school. The level of performance expected for a performing alternative school is much lower than the level of performance for schools under the AZ LEARNS formula. Superintendent Horne clarified that if an alternative school has 10% of kids scoring proficient, in a regular school this would be underperforming, but under this formula it might be a performing alternative school. He added that this was a serious question as to whether it is a good idea.

Ms. Hilde stated the reason for asking this question is that there is a community with more high schools that fit the alternative label and more extremely small high schools under the charter system and the public school system's concern is whether those labels will be equitable. She noted that if the same word doesn't mean the same thing in terms of expectations for teaching and learning then there would be confusion. Superintendent Horne agreed this would not be equitable because a much lower percent could be called performing and suggested that if the Board wants the Department to take another year to develop this it could be done. Mr. Horne noted that these were serious policy questions that required some time. Ms. Hilde agreed with this statement and noted her concern about taking another year to develop another label. Ms. Hilde asked if there was another way to identify them other than the fact that the alternative school is already identified in its name.

Dr. Franciosi noted that the labels are defined by statute and statute allows a parallel system but does not elaborate beyond that.

Dr. Diethelm suggested that this could be clear by definition, i.e. performing public school or performing alternative school, and that they should be different because the missions of the schools are different. He noted that we don't want to see these schools get into competition with each other.

Dr. Pedicone stated that the central issue is that kids are still going to have to eventually pass an examination to receive a diploma and the additional issue is to be clear in what we are saying by the labels.

Dr. Franciosi stated that he had doubts about coming to the Board with the alternative schools but was under the understanding that the Board wanted all schools evaluated. Ms. Basha asked for suggestions.

Ms. Farley suggested that this is one of the issues that have been discussed and the accountability working group did meet and had conversations regarding this topic. Ms. Farley noted there were discussions of not bringing an option forward for the Board's consideration. However, there are almost 120 schools that are considered alternative schools and the AZ LEARNS profiles have been done for the remainder of the schools for two years now. Ms. Farley stated doubt as to whether this is the right option and noted the Board had some dialogue as to wanting to have similar meanings for the same terms that we are required to use. Ms. Farley suggested the group could be re-convened for further brainstorming prior to the September meeting for a final recommendation. Ms. Farley noted that Dr. Franciosi and the Department has worked very hard to accomplish this task and this was based on the desire of the majority of the Board members to have at least something to consider in terms of making sure we were complying with the statutory requirement of providing profiles for all schools in Arizona.

Ms. Kristen Jordison, Executive Director, Arizona State Board for Charter Schools, on behalf of the Charter School Board expressed that they very much want labels for all schools and equitable comparisons between

schools to hold them accountable. Ms. Jordison stated that she believes about half of the alternative schools are charter schools, about 50 schools, that need to be held accountable. She added that last year it was discussed, given the changes to the AZ LEARNS formula, to eliminate having an alternative status, and the fact that now having the extremely small schools approval may take care of some of the schools. Ms. Jordison noted there may still be some time to present other options to the Board in September and from the Charter Board's perspective they have been very supportive of establishing the formula.

Superintendent Horne added that the profiles are due by October 15 so something must be accepted today or postponed for a year. He added that an additional presentation in September with the expectation of an October adoption would involve a tremendous amount of work for those who are already working very long hours this time of year. Mr. Horne added that he does his best to defend the work of the Department but in this case a better job may be possible with more time and that he was not sure this was a satisfactory solution to the problem. Mr. Horne stated the Board has been given the best possible proposal at this time but if the Board desires a proposal that feels more equitable it can be postponed for a year.

Ms. Hilde noted the difficulty was the language rather than the process that has been developed. She offered an alternative of noting the profile label with an asterisk meaning alternative school. Ms. Hilde cautioned the use of a label that doesn't depict to the general public what is actually meant. She added that she could agree to use this profile for a year but let it be marked with an asterisk to depict the alternative school status.

Dr. Pedicone commented there is a different kind of environment where part of the goal is to label small, alternative schools appropriately but the trouble is that they will be examined against traditional schools. Dr. Pedicone noted that the asterisk may not be noticed and that a charter/alternative school labeled as performing and a traditional school labeled as underperforming will set up some barriers that may be difficult to defend. Dr. Pedicone added that he was not willing to put things off, but senses the concern voiced by the Superintendent, and suggested it may be better not to have a label than to create a potential for a bad situation.

Dr. Diethelm stated that the experience gained by putting these things in place and seeing what happens, what the real reactions are, is very valuable. He suggested putting this in place as a provisional classification system for a year while looking at the results/reactions and then making changes/adjustments.

Dr. Pedicone asked if we have to label now and Ms. Basha responded that what small schools are saying right now is that they don't think being in limbo is better.

Superintendent Horne noted there are a lot of small schools that need help and they are anxious to proceed. He suggested that the Department use the guidelines for calculations but not post the results for one year.

Dr. Diethelm asked if this information would be communicated with the schools as part of the study and Superintendent Horne noted that then the information would be public. He added that if it was done in a statistical manner without the school names being published it could be studied. If the information is reported to the Board, it becomes public.

Ms. Hilde noted that K-2 schools are to be evaluated by December and asked if this could be postponed. Dr. Franciosi responded that it is dependent on the concern of the Board. If the Board wants a labeling system that is comparable to regular schools, Dr. Franciosi did not think this was possible and added that they have to work within the four definitions.

Superintendent Horne noted that if it is postponed for one year this will give the Department a chance to do legislation changes.

Dr. Pedicone stated that if the issue is to look at how alternative schools are viewed against traditional schools, there is a problem. If the issue is to try to encourage alternative schools, he cautioned the Board to be careful in regard to the political issue. Dr. Pedicone added that he favors the study, which puts pressure on schools to perform but doesn't want to make another problem at the same time.

Dr. Lewis stated that their stakeholders have expressed the purpose of alternative schools is about emotional and behavioral development and returning to the academic setting, especially in more traditional districts. She noted that there are many of these neighborhood schools whose results are encompassed within the neighborhood districts, which helps kids return to their base schools. Dr. Lewis stated the core of what made this task a challenge is the fact that this is not just about the standard but also about servicing the need as the student works toward returning to meet the academic standards.

Superintendent Horne added that in schools where kids are coming and going, it is difficult to judge them at the standard measurements and alternative ways of measuring are being looked at.

Ms. Hilde stated that under the definition they must offer a diploma for high school graduation so in their mission they deal with an alternative population of students but their ultimate goal is to offer the diploma.

Dr. Pedicone defined an alternative school as one that focuses on at-risk students but Dr. Franciosi reminded members that only the published definitions could be given.

Ms. Farley reiterated the following options for the Board:

- Adopt this formula for the next year if the intent is to evaluate what the impact of a formula might be;
- Not direct that but this would be part of the Department's representation of what will be done;
- Not take action on the alternative schools formula this year.

She added that basically there are now profiles on these schools and according to statute there is a system in place to follow once a school has a profile. This puts us in limbo regarding knowing the profile but not publishing it and she wondered what sanctions could happen. In addition, she cited the statute that calls for a parallel profile for alternative schools but does not call for a timeframe. There is a sentiment in the community to try to do something for alternative schools. Ms. Farley noted an option could be that as the profiles are posted, they can be listed as those that fall under the AZ LEARNS formula, with perhaps a separate list for extremely small schools and alternative schools. She added that once the schools receive the profile information they would use it however it suits them. In addition, for the 27 K-2 schools, it is recommended not to delay for a full year doing the evaluation but to bring those to the Board prior to December.

Motion by Dr. Pedicone to put off labeling alternative schools for one year. Seconded by Superintendent Horne.

*Roll call vote results:*

*Yes: Ms. Bittner, Mr. Horne, Ms. Kramer, Dr. Pedicone*

*No: Ms. Basha, Dr. Diethelm, Ms. Hilde,*

*Ms. Farley cited statutory requirement of a majority of 5 votes for passage and Ms. Basha noted that with only 4 votes in favor, the Motion fails.*

Motion by Ms. Hilde to move forward with setting school profiles, performing or underperforming for alternative schools with the understanding that they are released as a group. In addition, the results will be studied for a year to be reviewed in August 2005. Seconded by Dr. Diethelm. Ms. Farley clarified that this includes all the methodology outlined for alternative schools. *Motion passes.*

- K-2 schools where AIMS is administered in first, about 26

Dr. Franciosi presented the methodology for K-2 schools, which is already in place. The following steps still need to be completed:

- Be modeled
- Run parameters using SAT9 data
- Look at school's baseline and growth, using a latent growth curve model which is a more sophisticated way of measuring
- Bring to State Board in October

Ms. Hilde offered her congratulations and Dr. Lewis thanked the Board for their confidence in the team as it continues to move forward.

I. Presentation and Discussion Regarding State Intervention Development Within the AZ LEARNS Accountability System, Including, But Not Limited To:

1. Update on State Intervention Development
2. The Draft WestEd Community Inventory for Site Visits
3. Discussion of Appeal Process
4. Request for Information

Pursuant to A.R.S. §38-431.03 (A) (3), the Board may vote to Go into Executive Session for consultation and legal advice and/or for Instructing the Board's attorneys regarding the Board's position in connection with this issue.

Dr. Donna Lewis, Associate Superintendent, Accountability Division, Arizona Department of Education, updated the members on the activities that have taken place since the last Study Session when this was discussed. She noted that after October 15 when the data is in, the decision would need to be made as to how to implement A.R.S. § 15-241 as it relates to intervention. Dr. Lewis stated that as stakeholders have said, change and reform would occur because they are working together to turn schools around. Dr. Lewis listed some of the stakeholders who have been at the table assisting in this process:

- ASA, Arizona School Administrators
- ASBA, Arizona School Boards Association
- AEA, Arizona Education Association
- Universities
- Various Districts including
  - Roosevelt
  - Washington
  - Tucson
- GPL, Greater Phoenix Leadership
- ABEC, Arizona Business Education Coalition
- GPEMC, Greater Phoenix Educational Management Council
- Small and/or Rural Schools
- Arizona State Board for Charter Schools
- AASBO, Arizona Association of School Business Officials
- NCA, North Central Association
- WestEd
- ADE, Arizona Department of Education

Dr. Lewis stated that this model is a collaborative turn-around and introduced Ms. Tommie Miel, Education Program Administrator, State Intervention Section, Arizona Department of Education, who presented the status of development at this time. (Please see materials in packet that were presented via hard copy and overhead presentation).

Ms. Miel asked members for direction as it pertains to the information presented today. Responses to questions presented to stakeholders were summarized for members by Ms. Miel that suggested continued collaboration with districts to address budget issues and to have a cooperative effort with districts as personnel and contract issues are considered. These items are making districts very nervous. Ms. Miel noted that they want to continue their efforts that are outlined in AZ LEARNS and NCLB in working with the schools to determine the optional operation. The approach is as a partner with the school and district as well as with the local community. Ms. Miel discussed some of the aspects of the timeline and the appeals process, which are items that still cause some angst in the schools/districts. Ms. Miel added that schools/districts would be asked what kind of support they would like to receive from the Department and what kind of support the community is willing to offer. It will be emphasized to schools/districts that this is a two-way street and some changes have already been made in the process due to suggestions that have been given.

Superintendent Horne noted that to do the intervention process properly would cost money. Historically, there has been school improvement monies in Proposition 301 but because the intervention stage has not been reached, which is part of school improvement, all the monies set aside in Proposition 301 have not been needed. Some of these monies were utilized for testing. Mr. Horne stated we have reached the point where these monies are now needed for school improvement and intervention so the legislature will be asked to stop funding any testing out of Proposition 301 and make the funds available for school improvement and intervention.

Ms. Hilde noted a personal perspective regarding the need for further differentiation between the role of the community and the role of the parent, which are significantly different. Ms. Hilde suggested asking what opportunities have been provided for parents and their role as home educators because children are

successful when the parents are involved with education, where school is valued in the home setting, and where the parents have opportunities to develop skills in being partners in their child's learning.

Ms. Miel acknowledged this suggestion and offered to incorporate it within the Town Hall piece.

Ms. Basha noted that all the categories listed are strong and added that as a parent she wondered what she would want to be asked by a committee such as this. Ms. Basha observed that in a sense it is how the parent feels when they walk in the door and how the parents' concerns are being met. She noted the parents' perspective is different than that of the professional and needs to be considered.

Ms. Miel reminded members that this is a work in progress, which has been developed from subsection "U" in the law where it indicates five areas that should be looked at to determine the intervention plan for a school, the first item being whether the school properly implemented its school improvement plan. The beginning step is to enter this process with an exit plan.

Ms. Miel introduced the draft of the matrix the group is working on and noted the area for compelling evidence at the end, which will be the evidence of the need of this program. Ms. Miel explained the need for intervention specialists who could be assigned to a school to assist in collaboration and turning the school around. In addition, a mentor principal will also be utilized to replace the principal for a period of time to bring about a turn-around.

Ms. Miel introduced the Request for Interest (RFI) and noting that there are 19 responses to date. If a Request for Proposal (RFP) process will be followed, six people have volunteered to assist in its development.

Dr. Diethelm asked if employment of top teachers was also a component in this process? Ms. Miel responded that they are part of the prescription but not written in. However, it does include that a principal may take 1, 2, 3, 5 master teachers into the school with them to assist in the turn-around. She added that teachers could be put in to provide staff development, peer coaching, modeling, etc., as part of the prescriptions of interventions to be considered.

Superintendent Horne added that master teachers are part of the plan even though this was not in the written part, which is a summary, but his assumption is that no principal would ever want to go to a school without a certain number of teacher leaders helping that principal.

Dr. Lewis noted the intensity of the caseload that will be forthcoming and all efforts will be made to roll it out in a reasonable manner. She added that they expect true, shared ideas as to how to implement this plan and want to work with schools in a true collaborative manner.

Dr. Pedicone asked if hearings would be necessary and Ms. Miel responded that schools could waive their hearing. Dr. Pedicone clarified that if a school is proceeding in progress a hearing could be bypassed. Ms. Miel noted it would be added in the verbiage.

Mr. Michael Smith, Arizona School Administrators, Phoenix, Arizona, congratulated the Board on their efforts in this huge project. Mr. Smith added that the law moves in different ways in a matter of a few paragraphs. He stated that as he reads the law ultimately there is a requirement that schools which fall into a third year of underperforming are labeled as failing. In addition, the law says that the Department must do a site visit and make an evaluation, which staff has outlined today. Upon this evaluation the Department can come to the State Board with the following recommendations:

- that the failed school continue because it is making progress, or
- that the failed school be subject to a public hearing to determine if the school failed to properly implement its improvement plan and be subject to state intervention

Mr. Smith stated that the questionnaire does not mention improvement plans and reminded the Board that an improvement plan should be seen and the Board should be aware of its role in that plan. He added that ultimately the law requires the Board to ask if the school has failed to implement this improvement plan, which is the most critical data in making these decisions. Mr. Smith stressed the importance of getting a sense of the school's perception about their improvement plan at the time the site visit is conducted.

Mr. Dale Parcell, Deputy Associate Superintendent for School Improvement, Arizona Department of Education, pointed out that the Arizona School Improvement Plan (SIP) is central to the Solutions Team

process with the focus being that all people in the school know the plan. The SIP is also a focus of the assist coach in the ongoing support and the best practices section.

J. Presentation and Discussion Regarding the Arizona High School Renewal and Improvement Initiative.

Dr. Karen Butterfield, Deputy Associate Superintendent, Academic Achievement, Arizona Department of Education, presented background information and stated that this initiative is in perfect alignment with other items that were presented today. (Please see PowerPoint presentation in materials packet) The goal is to provide high schools with the needed current knowledge, expertise and technical assistance and to facilitate a national conference about high school reform. Arizona's state team opted to utilize the verbiage "high school renewal" versus "reform" because of the amount of work ahead in developing a needs assessment and gauging if we will be ready to embark upon high school renewal. Dr. Butterfield pointed out the key steps developed as a result of the April Summit with the US Department of Education. In addition, a group from the Arizona Department of Education attended the model schools conference sponsored by the Council of Chief State School Officers (CCSSO) in June which resulted in key points that are being folded into our state action plan which are critical to high school renewal.

Dr. Butterfield noted that they have received a grant in partnership with ASA that will help sponsor a breaking ranks conference in February and will provide funding to send a team of 6-8 to Portland, Oregon next month for breaking ranks training.

Dr. Butterfield pointed out the four R's of Bill David's work:

- Rigor
- Relevance
- Relationships
- Reflection

in teaching and learning and added that approval has been received from the US Department of Education for the \$15,000 line of credit to get the state action plan going.

Dr. Butterfield also noted that Arizona is the only state in the nation that is doing this evaluation rather than the process utilized by all other states which is to host high school reform summits rather than do a needs assessment first and hear what schools from around the state need. She added that they will be asking a representative from the State Board of Education to attend each forum.

Dr. Butterfield stated the April Summit results will be tied in to the state team meeting and will help in laying groundwork for:

- Next high school reform summit
- Define the state action plan

Superintendent Horne stated that at the CCSSO conference Arizona's process was held up as an example. Mr. Horne extended compliments to Dr. Butterfield on the progress of this initiative.

Superintendent Horne also mentioned that at a previous conference on high school reform it was noted to always be sure before a reform is adopted that there is data to show that the reform results in higher test scores. Mr. Horne stated he is inclined to not jump into something that is disruptive before we know it will result in higher test scores.

Dr. Butterfield responded that small communities are doing a good job of keeping kids in school as well as producing a very conducive climate for learning, similar to what some charter schools are doing as small learning communities. She added that they would be closely monitoring the percentage of kids kept in school but the 2006 AIMS results are critical as well.

Dr. Butterfield thanked the members of the Arizona Department of Education for their participation and stressed the need for the State Board members' involvement in this effort.

K. Presentation, Discussion and Consideration to Approve Revised English Language Learner Parental Notification and Consent Forms.

Ms. Irene Moreno, Deputy Associate Superintendent, Academic Achievement Division, English Acquisition Services Unit, Arizona Department of Education, presented the background information and requested approval for the new Parental Notification Form.

Motion by Dr. Diethelm to approve the Revised English Language Learner Parental Notification and Consent Form as presented. Seconded by Ms. Bittner. *Motion passes.*

Dr. Pedicone asked if this form will take effect immediately and the response was “yes”.

L. Presentation, Discussion and Consideration to Determine Non-Compliance with the USFR for Nazlini Community Junior High School Charter by Peach Springs School District and to Withhold State Funds Pursuant to A.R.S. §15-272.

Ms. Dena Epstein, Assistant Attorney General, presented the background information and highlighted the differences in this process that apply to charter schools. (See information in packet) Ms. Epstein noted that because of the history of non-compliance this matter is being brought to the State Board for consideration of possible action and noted the two possible actions available to the Board:

- Determine that Nazlini Community Junior High School is out of compliance with the USFRCS for fiscal years ending June 30, 2000, June 30, 2001, June 30, 2002 and June 30, 2003 based on the reports of the Auditor General and move to direct the Superintendent of Public Instruction to withhold a portion of state funds from Nazlini until the Auditor General reports that Nazlini is in compliance with the USFRCS.
- Refer this matter to the Peach Springs School District, as the sponsor of Nazlini charter school, to take appropriate enforcement action, which may include withholding 10% of state funds or revocation of the charter of Nazlini Community High School.

Ms. Hilde asked where Nazlini School is located and its proximity to Peach Springs District.

Dr. Pedicone noted that Peach Springs took action in 2003, which met with continued problems with the charter school. Ms. Epstein responded that it appears that Peach Springs issued a notice of intent to revoke the charter and cancelled it based on the audit reports and nothing else occurred per the information we have to date.

Dr. Pedicone asked if the district was vigilant in monitoring the activities of the charter school and Ms. Epstein noted there was no evidence that they did anything other than cancel the notice of intent to revoke the charter. Dr. Pedicone asked if we know the relationship between the district and the charter school and if there are any indications that if direction was given to the district they would take stronger action or does the State Board need to take the action? Ms. Epstein stated that based on the record it is fair to conclude that they haven't done much to assist the charter school or insure that the charter school achieves compliance with the USFRCS.

Mr. Ronald Arias, Principal, Nazlini Charter School, addressed the State Board presenting background data and an overview of the history of the school and asked the State Board to consider a follow-up audit. (See information packet) Mr. Arias noted that they have been trying to clean up a mess that was created prior to their arrival and since the audits were called so quickly (five audits in less than two years) they did not have enough time to get all items into compliance.

Mr. Jeffery Hunt, Budget Finance Consultant with ABS School Services/The GEO Group, stated that they were making great effort regarding the use of federal funds and getting back into compliance. Mr. Hunt emphasized that the school has not misused federal funds and noted the interpretation could be misunderstood. Mr. Hunt explained that Nazlini's K-6 school and 7-8 charter school have a cost-share agreement where the grant side can invoice the charter side for the use of facilities, transportation, and service and pro-rate it based on student attendance. He added that there have been some years where those costs were invoiced but since then there has been an effort to rectify this. Mr. Hunt noted a high turnover rate in administration, which occurred every year until 2001 when Mr. Arias came. Mr. Hunt noted that in his personal dealings with Peach Springs in the past he did not see an indication that much help was given to Nazlini. Presently, Peach Springs has indicated to Mr. Hunt via telephone that they noticed the lack of assistance to Nazlini and that this is changing with the present administration.

Mr. Joe Deadman, Junior, Nazlini Board President, explained that Nazlini is located on the Navajo

Reservation, 65 miles west of Window Rock, 19 miles north of Ganado below the valley, Southeast of Canyon de Chelly. Mr. Deadman also noted that Peach Springs is on the other side of the state close to the Laughlin area and that it is difficult to see the rationale of being sponsored by Peach Springs when Nazlini is close to the other side of the state. Mr. Deadman mentioned there was no audit when he came but funds were immediately allocated for an audit and corrections are being made. He added that they are in a remote area with 155 students and that Peach Springs is not really helping them. He said they have solicited legal action but the law firm in Flagstaff also represents Peach Springs so did not want to represent Nazlini. Mr. Deadman noted that Nazlini took the initiative to see that the audits were done and are still working on the deficiencies and want to abide by the laws. Their goal is not to leave any child behind traveling almost 100 miles to get students into school.

Superintendent Horne asked if Peach Springs withholds part of what the charter schools would normally get? Mr. Hunt responded that for school year 02-03 they did hold 10% and once the audits were completed the funds were released. Superintendent Horne clarified that normally a charter school gets a certain amount of money per pupil and Mr. Hunt stated that Peach Springs charges a percentage about 8%-10%. Superintendent Horne observed that if Peach Springs is withholding 8%-10% it should be going toward the education of kids in return for a promise to provide services, which are not being provided, and that perhaps funds should be withheld from Peach Springs. Mr. Horne noted that if a district was allowed to sponsor charter schools and thought they would make money, they should provide services. If the services are not provided, Mr. Horne stated that part of the sanction should fall on the sponsoring school/district.

Ms. Epstein responded that this is a separate issue that should be addressed at a separate time and reiterated that the current issue to be considered is the question of withholding funds from Nazlini.

Ms. Hilde asked for clarification regarding the number of students and Mr. Arias responded that the charter school, grades 7-8, is 22-29 students and the traditional K-6 school has about 125 children. Mr. Arias noted that every penny counts for the 7-8 school since funds cannot be co-mingled from the K-6 school and again requested a return audit and that monies no longer be withheld from the school.

Mr. Michael Stelpstra, Accounting Service Manager, Auditor General's Office, was available for questions and Dr. Pedicone asked for his perspective noting that in 2003 the requirements appear to have been met and sanctions were lifted.

Mr. Stelpstra noted two separate issues, lateness of the report and what those reports say regarding compliance as related to internal controls. He stated that in the process of reviewing the 2001 and 2002 reports, the 2003 report was also received and based on all three reports little progress was noted in improving their internal controls. He added that this has carried through in others that have come along and existed on the 2003 reports.

Dr. Pedicone noted the complicated funding process and asked if the K-6 program has operated within the constraints of the law. Mr. Stelpstra noted they have no authority over the K-6 program and no oversight.

Mr. Hilde asked if it is typical for a chartering district to withhold from a charter school and requested insight into this relationship.

Mr. Jordison responded that the Charter Board does not charge a fee, however, having seen many of the contracts from schools transferring to the State Board for Charter Schools, this situation is seen but is a contractual agreement between the school district and the charter school, which has been negotiated.

Superintendent Horne asked if legislation is needed since the State Board for Charter Schools does not charge if a charter school does not meet certain requirements but a district charges the charter school, and makes money from it but does not provide services. This is contrary to public policy. Mr. Horne asked Ms. Jordison if this was her perception of what is happening.

Ms. Jordison responded that in 2000 the law changed to disallow school districts to sponsor outside of their boundaries because several school districts were doing this and since that time many of those district-sponsored schools have chosen to transfer to the State Board for Charter Schools with the stipulation that the schools are in compliance. Ms. Jordison noted that she has not seen a surge in district-sponsored charter schools since that legislation has changed.

Dr. Pedicone reiterated that we have a charter school sponsored by a district, which may or may not be

doing anything to support the charter school and the question is how to address the fact that this charter school is out of compliance. An opportunity could be given for the charter school to come into compliance but there has to be consistency with past decisions while enabling the school to operate.

Ms. Epstein stated that if the Board voted to withhold 10% of state funds directly from the charter school this is consistent with all charter school statutes and any time a charter school is out of compliance with any provision of the charter or the law, the charter school is held responsible. At today's meeting, according to Ms. Epstein, the Board can take both actions of withholding funds and request that the Auditor General's Office conduct a status review to see if the USFRCS deficiencies have been corrected. She added that the Auditor General's Office has requested that the motion include language that the Auditor General first be able to talk with the school staff to confirm if there are changes to warrant an additional review.

Mr. Arias added that he has nothing negative to say about Peach Springs and added that in 1998 this school went under the sponsorship of Peach Springs for 15 years. Those schools that have tried to break their charters have found that they would have to pay the money for 15 years, so if Nazlini wanted to break from Peach Springs, it would have to pay about \$100,000.

Ms. Bittner asked for the motions to be reiterated and Ms. Epstein did so.

Dr. Pedicone asked if any other action had been taken where funds were not withheld because Nazlini appears to be attempting to get their act together in good faith. Dr. Pedicone added that he was not interested in further hampering those efforts but in the past penalties have been imposed. He asked how long it would take before an audit could be conducted and Mr. Stelpstra responded that his office would determine if it was worthwhile to visit the school and if so they would go as soon as possible, which could be up to 4-5 months.

Dr. Pedicone reiterated that they may have met the criteria but this cannot be determined for 4-5 months and Mr. Stelpstra confirmed. Dr. Pedicone added that in the meantime the school would be having funds withheld from them.

Ms. Epstein clarified that the statute changed in 2002 giving the Board discretion to withhold any portion of state funds and since that time there has not been a school district sponsored charter school that has come to the Board for action. Ms. Epstein further clarified that any portion of state aid, not a specific percentage, can be withheld as deemed by the State Board but that historically 10% has been the practice of the Board.

Ms. Hilde asked if a hold-out of 4% could be assessed until the audit results are submitted and then if the audit is not clean, the motion could call for an automatic withholding of 10% until the audit is clean?

Mr. Hunt noted that the 03-04 AFR is due in October and the audit is due in November so evidence will be available the following year as to compliance or areas of improvement that are taking place.

Dr. Pedicone asked if this audit will be clean and Mr. Arias replied, "yes".

Mr. Stelpstra noted that the AFR that is due October 15 is an unaudited document and will not provide information to the Auditor General. Regarding the November 15 deadline for audited documents, Mr. Stelpstra noted this is for the Charter School Board and is not the deadline for school district sponsored charter schools, but that deadline is March 31, 2005.

Motion by Ms. Hilde to determine that Nazlini Community Junior High School is out of compliance with the USFRCS for fiscal years ending June 30, 2000, June 30, 2001, June 30 2002, and June 30 2003 based on the reports of the Auditor General and direct the Superintendent of Public Instruction to withhold a portion of state aid to equal 3% from Nazlini Community Junior High School until the Auditor General reports that Nazlini is in compliance with the USFRCS. Seconded by Ms. Kramer. *Motion passes.*

Motion by Ms. Hilde to request the Auditor General's Office to conduct an on-site status review provided the Auditor General is able to first confirm by telephone that the school has implemented sufficient changes to warrant a new review. After this review if violations are still noted the withholding portion will become 10% until all auditing errors are corrected. Seconded by Ms. Bittner. *Motion passes.*

Dr. Pedicone stated he does not want to see another repeat of the previous situation that has been struggled with and labored over and that his only concern is whether he would limit the withholding to 10%

indefinitely.

Ms. Hilde asked if the Auditor General's process have a timeline at which non-compliance automatically happens and this comes back to the State Board?

Ms. Epstein noted that the Auditor General will submit a report on the review and if it shows continued non-compliance it would be brought back to the State Board to determine the additional penalty or additional withholding might be appropriate.

Dr. Pedicone asked if the 10% in the motion lasts only until the next audit?

Superintendent Horne suggested the motion could say 10% until the Board takes other action.

Ms. Basha stated that the Board gave a break because the Board is typically tough on districts and schools out of compliance because the Board believes schools need to be responsible with taxpayers' money and stay in compliance. She added that the Board is concerned about Nazlini's relationship with Peach Springs but that the school must get their act together and that they have been cut a deal today.

Mr. Arias responded, "thank you very much, ladies and gentlemen".

Dr. Pedicone asked for information as to what the rules look like and what will come up with those schools that are grandfathered.

Ms. Farley responded that they prepared this information when the legislation was changed and will provide copies as requested. Ms. Farley also clarified that two parties enter into this contract, i.e., a charter is a contract between the sponsoring entity and the individual who is starting a charter just as our charter holders are. Those contracts are negotiated and signed by both parties and that is what must be upheld or there are penalties that can be written in.

Superintendent Horne noted that more legislation could take care of this situation. A contract was entered into to get a charter, since the school was unable to meet the standards of the Charter Board, and the district agreed to charter the school without standards for money and Mr. Horne stated this is bad public policy. He will speak to legislators requesting a change be made in this practice. He added that the money being charged back to the charter schools are dollars that should be spent toward educating the children in the charter schools.

M. Presentation, Discussion and Consideration to Approve Criteria for State Board Approval  
As a Provider of Services to Students in Underperforming and Failing Schools Funded by  
The Tutoring Fund Established in A.R.S. §15-241(BB).

Ms. Kim Strehlow, Education Program Specialist, Academic Achievement Division, Arizona Department of Education, presented the background information outlined in the materials provided and recommended the State Board approve the criteria for certifying alternative tutoring providers funded through AZ LEARNS "State Tutoring Fund". Ms. Strehlow noted the change is that the alternative tutoring provider must reimburse the funds to the school district or ADE based on whether or not the child has met criteria set forth in the contract agreement. She stated that they are looking for a consistency in alignment of providers for the federal and state programs.

Ms. Basha asked who the providers were and Ms. Strehlow responded that under NCLB a variety of providers are listed in the packet of materials on page 5. Some entities are not yet represented and are being sought out at the present time.

Superintendent Horne clarified that under NCLB a school has to use up to 21% of its Title I funds for tutoring, which are being administered by the Academic Achievement Division, and the request is to be able to administer both under the same guidelines other than that the state statute requires these organizations promise to reverse the funds if they are not successful. Mr. Horne noted that part of his legislative idea is to try to get a reform of this so these funds can be directed to all schools.

Ms. Strehlow added that they are on a tight timeline with profiles being released soon.

Dr. Diethelm confirmed that conformance to the Arizona standards is insisted upon in the administration of these funds and asked if there were privacy issues.

Ms. Strehlow noted that part of the contract agreement and assurances is an agreement not to disclose information without parental permission and that the parent gives diagnostic information to the tutor via a parent release. This document remains property of the school/district rather than the provider.

Motion by Dr. Diethelm to approve the criteria for providing State Board certification for alternative tutoring providers in connection with the State Tutoring Fund established in AZ LEARNS, A.R.S. §15-241 (Q) and – 241(BB). Seconded by Dr. Pedicone. *Motion passes.*

- N. Consideration to Approve Amended Settlement Agreement with Phoenix Newspapers, Inc., Regarding Release of High School AIMS Test Items. Pursuant to A.R.S. §38-431.03 (A) (3) and (4), the Board may vote to go into Executive Session for consultation and legal advice and/or for instructing the Board's attorneys regarding the Board's position in connection with this issue.

Ms. Epstein stated that a final settlement agreement would be brought to the State Board at a later date.

6. Review of Board Policies and Procedures Regarding Election of Officers And Consideration to Appoint a Nominating Committee.

Ms. Farley stated that pursuant to the Rules and Policies adopted in August by this Board, a nominating committee is to be appointed to develop a slate of recommendations for Board officers for the following year. These recommendations will be presented at the September Board meeting with the philosophy that those individuals will be in training and preparation for taking leadership officially in January 2005. Ms. Farley suggested that the Board want to consider the current president, one lay member and one education representative to serve on the committee.

Ms. Basha suggested that the designation of a lay person, an education person and the current president serve as the nominating committee.

Members appointed to the Nominating Committee are Ms. Nadine Basha, President, Ms. JoAnne Hilde, Lay Member, and Ms. Armida Bittner, Education Representative.

7. ADJOURN

Motion by Superintendent Horne to adjourn. Seconded by Dr. Diethelm. Meeting adjourned at 4:10 PM.